

Unaudited Consolidated Financial Results for the quarter and six months period ended December 31, 2014

(Rs. In Lacs)

PART I STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2014							
Sl.No.	Particulars	Consolidated					
		3 months ended			6 months ended		12 months ended
		31.12.2014 (Unaudited)	30.09.2014 (Unaudited)	31.12.2013 (Unaudited)	31.12.2014 (Unaudited)	31.12.2013 (Unaudited)	30.06.2014 (Audited)
1	a. Net Sales/Income from operation	56,996	54,429	56,704	111,425	110,106	211,064
	b. Other Operating Income	30	42	57	72	80	147
	Total	57,026	54,471	56,761	111,497	110,186	211,211
2	Expenditure:						
	a. (Increase) / Decrease in stock in trade	44	(5,191)	836	(5,147)	(4,473)	(621)
	b. Purchase of Finished/Traded Goods	47,152	47,860	44,278	95,012	90,043	165,287
	c. Connectivity and Content Cost	1,507	1,637	1,666	3,144	3,492	6,740
	d. Staff Cost	3,197	3,107	2,876	6,304	5,695	11,242
	e. Depreciation/Amortisation	736	678	977	1,414	1,856	3,497
	f. Branding Expenses	2,285	2,370	1,518	4,655	3,217	7,835
	g. Other expenditure	5,046	5,288	4,605	10,334	9,506	18,932
	Total expenditure	59,967	55,749	56,756	115,716	109,336	212,912
3	Profit/(Loss) from Operations before other income, finance cost, exceptional items and taxes (1-2)	(2,941)	(1,278)	5	(4,219)	850	(1,701)
4	Other Income	397	390	520	787	897	1,523
5	Profit/(Loss) before finance cost, exceptional items and taxes (3+4)	(2,544)	(888)	525	(3,432)	1,747	(178)
6	Finance Cost	31	30	21	61	67	118
7	Profit/(Loss) before exceptional items and taxes (5-6)	(2,575)	(918)	504	(3,493)	1,680	(296)
8	Exceptional Items						
	- Impairment of Goodwill of subsidiary companies (Refer Note No. 5 below)	(19,482)	-	-	(19,482)	-	(1,411)
	- Additional Depreciation due to change of useful life (Refer Note no. 4 below)	(62)	(162)	(16)	(224)	(280)	(297)
	- Reversal of revenue pertaining to earlier periods	-	-	(276)	-	(276)	(276)
	- Provision for diminution in value of Long term investments	-	-	-	-	-	(20)
	- Loss on Liquidation of Investments	-	-	-	-	-	(30)
9	Profit/(Loss) from ordinary activities before taxes (7+8)	(22,119)	(1,080)	212	(23,199)	1,124	(2,330)
10	Provision for Taxation	129	285	104	414	205	431
11	Net Profit/(Loss) for the period (9-10)	(22,248)	(1,365)	108	(23,613)	919	(2,761)
12	Share of (Loss) of associates	(1)	(2)	-	(3)	-	-
13	Minority Interest	94	(35)	6	59	4	54
14	Net Profit/(Loss) after Share of Profit/(Loss) of associates and Minority Interest (11+12-13)	(22,343)	(1,332)	102	(23,675)	915	(2,815)
15	Paid up Equity Share Capital (Face value of Rs.3/- each)	6,836	6,836	6,836	6,836	6,836	6,836
16	Reserves excluding revaluation reserves						61,566
17	Basic and Diluted Earnings Per Share (in Rs.) (Not Annualised)	(9.81)	(0.58)	0.04	(10.39)	0.39	(1.22)
PART II SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2014							
A. PARTICULARS OF SHAREHOLDING							
1	Public Shareholding						
	- No. of Shares	58,416,412	58,416,412	58,418,512	58,416,412	58,418,512	58,416,412
	- Percentage of Shareholding	25.64%	25.64%	25.64%	25.64%	25.64%	25.64%
2	Promoters & promoter group shareholding						
	a) Pledged / Encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoters & promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	169,447,570	169,447,570	169,447,570	169,447,570	169,447,570	169,447,570
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	74.36%	74.36%	74.36%	74.36%	74.36%	74.36%
B. INVESTOR COMPLAINTS							
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	6					
	Disposed off during the quarter	6					
	Remaining unresolved at the end of the quarter	Nil					

SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

(Rs. In Lacs)

Sl.No.	Particulars	Consolidated					
		3 months ended			6 months ended		12 months ended
		31.12.2014 (Unaudited)	30.09.2014 (Unaudited)	31.12.2013 (Unaudited)	31.12.2014 (Unaudited)	31.12.2013 (Unaudited)	30.06.2014 (Audited)
1	Segment Revenue (Net):						
a	Mobile Devices	52,436	49,717	51,720	102,153	100,025	191,986
b	Services	4,721	4,905	5,199	9,626	10,494	19,845
	Total	57,157	54,622	56,919	111,779	110,519	211,831
	Less : Inter-Segment Revenue	131	151	158	282	333	620
	Total Revenue	57,026	54,471	56,761	111,497	110,186	211,211
2	Segment Results -Profit/(Loss) before tax and Interest:						
a	Mobile Devices	(2,921)	(959)	(147)	(3,880)	536	(1,591)
b	Services	497	174	402	671	953	1,565
	Less: Finance cost	(31)	(30)	(21)	(61)	(67)	(118)
	Add : Other unallocable income net of unallocable expense	(19,664)	(265)	(22)	(19,929)	(298)	(2,186)
	Total Profit/(Loss) Before Tax	(22,119)	(1,080)	212	(23,199)	1,124	(2,330)
3	Capital Employed (Segment Assets- Segment Liabilities):						
a	Mobile Devices	(3,408)	14,374	24,031	(3,408)	24,031	16,150
b	Services	14,440	14,351	15,128	14,440	15,128	14,231
	Unallocated Capital Employed	33,690	38,452	32,674	33,690	32,674	38,021
	Total	44,722	67,177	71,833	44,722	71,833	68,402

Notes :

- The above results were reviewed by the Audit Committee and were approved and taken on record by the Board of Directors in their respective meetings held on February 09, 2015 and February 10, 2015 respectively.
- The Consolidated Financial results for the quarter ended on December 31, 2014 represents consolidated results of the Company, its subsidiaries and an associate.
- The Board of Directors of the Company in its meeting held on 2nd January, 2015 has, subject to the approvals of the members of the Company and such other approvals/sanctions as may be required in this connection, approved the proposal received from Smart Ventures Private Limited, the Promoters of the Company, to voluntarily delist the Equity Shares of the Company from BSE Limited and National Stock Exchange of India Limited i.e. both the recognized stock exchanges where the equity shares of the Company are presently listed. The consent of the shareholders for delisting is being sought through Postal Ballot.
- In accordance with Companies Act, 2013, the Company and its indian subsidiaries have revised the useful life of its fixed assets w.e.f July 01, 2014 to comply with the useful life as mentioned under Schedule II of the Companies Act, 2013. Due to this change depreciation for the six months period ended December 31, 2014 is higher by Rs 224 lacs (including Rs 62 lacs for the current quarter), which has been shown under exceptional items in the results. Had the Company and its indian subsidiaries continued to follow the existing useful life, the depreciation expense and loss before tax for the six months period ended December 31, 2014 would have been lower by Rs 224 lacs (including Rs 62 lacs for the current quarter).
- The consolidated financial statements carried a goodwill of Rs. 19,482 lacs pertaining to retail business of devices segment. In view of the continuing losses by the said retail business, the Board of Directors in its meeting held today has taken a decision to impair the said goodwill. The said amount of impairment has been shown under exceptional items in the consolidated financial results. However, the management continues to focus on growing the retail business and making it profitable on an ongoing basis.
- The Hon'ble Supreme Court of India vide its order dated December 17, 2014 on the judgment in case of State of Punjab Vs. Nokia India Pvt. Ltd. has held that sales tax on battery charger sold along with mobile phone should be charged at sales tax rate applicable to chargers, which is higher than the sales tax rate applicable to mobile phones in few states. In the case of the Group, since there was no such dispute pending in any of the states and no demand whatsoever has been raised/received, no effect has been given on the working results on account of above judgment. The Group is currently evaluating the above judgment. This is subject matter of qualification by the auditors in the limited review report on the financial results of the Group for the quarter ended December 31, 2014.
- Subsequent to the quarter ended December 31, 2014, Spice Digital Limited, a subsidiary of the Company has acquired 38.53% stake in Anytime Learning Private Limited.
- Provision for income tax is inclusive of/ net of deferred tax charge/ credit and tax adjustments for earlier years.

9 Key Standalone Financial Information is given below:

(Rs. In Lacs)

Particulars	3 months ended			6 months ended		12 months ended
	31.12.2014	30.09.2014	31.12.2013	31.12.2014	31.12.2013	30.06.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Net Sales / Income from Operation	-	-	6,234	-	6,234	6,834
Profit/(Loss) before tax	193	94	1,488	287	1,107	237
Net Profit/(Loss) after tax	193	94	1,518	287	1,237	454

- The standalone financials results have been filed with BSE Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed and are also available at the Company's website www.spice-mobile.com.
- Previous period's / year's figures have been regrouped and/or recast wherever considered necessary to conform to the current period presentation.

By order of the Board
Spice Mobility Limited (formerly S Mobility Limited)

Dilip Modi
Chairman

Dated : February 10, 2015
Place : Noida

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

SNo.	Particulars	Consolidated	
		As at	As at
		31.12.2014 (Unaudited)	30.06.2014 (Audited)
A	EQUITY AND LIABILITIES		
1	Shareholder's funds		
	(a) Share Capital	6,836	6,836
	(b) Reserves & Surplus	37,886	61,566
	Total Shareholder's funds	44,722	68,402
2	Minority Interest / Non Controlling Interest	3,322	3,260
3	Non-current liabilities		
	(a) Long-term borrowings	22	27
	(b) Other long-term liabilities	573	629
	(c) Trade Payable	5	4
	(d) Long-term provisions	284	263
	(e) Deferred Tax Liabilities (net)	24	81
	Total Non-current liabilities	908	1,004
4	Current Liabilities		
	(a) Short-term borrowings	1,455	1,363
	(b) Trade Payables	32,731	26,335
	(c) Other current liabilities	4,453	4,274
	(d) Short term provisions	3,073	2,682
	Total Current liabilities	41,712	34,654
	TOTAL- EQUITY AND LIABILITIES	90,664	107,320
B	ASSETS		
1	Non- current assets		
	(a) Fixed assets	15,416	15,862
	(b) Goodwill on consolidation	5,304	24,785
	(c) Non- current Investments	4,127	4,015
	(d) Deferred tax assets (net)	13	13
	(e) Long-term loans and advances	4,033	3,330
	(f) Amount recoverable from Employee Benefit Trust	692	732
	(g) Other non-current assets	97	17
	Total Non-current assets	29,682	48,754
2	Current assets		
	(a) Current Investments	3,228	4,253
	(b) Inventories	14,284	9,137
	(c) Trade Receivables	16,917	13,024
	(d) Cash and bank balances	12,479	18,400
	(e) Short term loans and advances	10,508	9,993
	(f) Other Current assets	3,566	3,759
	Total Current Assets	60,982	58,566
	TOTAL ASSETS	90,664	107,320